

United States Senate

WASHINGTON, DC 20510

May 2, 2001

Dear Colleague:

I write to urge you to oppose the proposal of Senator Grassley and Senator Harkin to direct the construction of two new runways at O'Hare International Airport in Chicago. If your constituents are interested in additional aviation capacity in Chicago, the solution proposed by Senator Grassley and Senator Harkin is not in their interest. In fact, it is contrary to their interests.

The nation as a whole and the Chicago area are desperate for new aviation capacity. The costs of adding capacity will be significant. Investing billions of scarce dollars to build two new runways at O'Hare will not, however, solve the current traffic problems associated with the airport, which has all but reached its physical limits. The two new runways proposed by our colleagues from Iowa may only increase O'Hare capacity by 400,000 flight operations annually. In order to achieve these limited benefits, the construction of two new runways would likely require the costly and time-consuming relocation of several existing runways, adding to the delays at O'Hare in the near term without solving the larger capacity problem. A new airport in the Chicago area is a better solution. A new airport, it is estimated, could handle 1.6 million flight operations annually when fully operational.

The cost of expanding O'Hare by building two new runways and additional terminals could approach the \$10 to \$15 billion dollar range. To put this in perspective, the newest commercial airport in the country, Denver International, cost about \$5 billion. The State of Illinois estimates that a new six-runway Chicago-area airport could be built, from scratch, for \$5 to \$6 billion. Spending two to three times the money at O'Hare to accommodate one-quarter the number of flight operations of a new airport is a poor and wasteful use of limited public resources. The more financially responsible approach would be the construction of a new airport.

I want to stress an important procedural point. It is entirely inappropriate to address such important and exceptionally complex substantive issues via a legislative rider to an appropriations bill, as my colleagues from Iowa have proposed. Building new runways at any major airport is a major undertaking that requires critical input from local, state, and federal policymakers. The legislative rider proposed by Senator Grassley and Senator Harkin would bypass mechanisms that have been put in place specifically to protect the flying public and those living under airline flight paths. Issues that would typically be considered during the current approval-process for runway construction – for example, questions related to air-space utilization, long-term capacity needs, cost-benefit analyses, pilots' concerns, and, of course, flight safety – would receive only limited attention from this body, or none at all, under the proposal suggested by my colleagues from Iowa. Bypassing the committees of jurisdiction could have serious consequences in this instance. The appropriate forum in the Senate for reviewing

legislative proposals dealing with runway construction is the Committee on Commerce, Science and Transportation and its Subcommittee on Aviation.

Please consider, as well, the precedent this proposal would establish. Airport capacity is a significant issue nationally. Our nation's skies and airports are over-crowded today, and Congress needs to fashion a national solution to a national problem, not a piece-meal solution that will only exacerbate problems elsewhere in the system. Were we to legitimize the attachment of an issue of such enormous complexity to a must-pass appropriations bill, members of this body could no longer rely on the procedures Congress, State, and local governments have put in place to protect the interests of the public and our respective constituents. This time, the proposal affects Chicago; next time it could be any other community with a major airport, such as Atlanta, Dallas-Ft. Worth, New York-Newark, Boston, Detroit, Denver, Minneapolis, Los Angeles, or any number of other communities.

New Runways at O'Hare vs. a New Airport

The benefits of constructing new runways at a new airport instead of at O'Hare are clear:

1. *Building a new airport is the fastest way to increase airport capacity in the Chicago area.*

A new airport in the Chicago area could be built on an undeveloped "greenfield" site. As a result, runways there could be built more quickly than at O'Hare, where several existing runways may have to be demolished and relocated. In addition, there is significant opposition to new runways at O'Hare from surrounding communities, communities that would undoubtedly initiate a vigorous challenge in court. Consequently, according to the Illinois Department of Transportation and the Suburban O'Hare Commission (SOC), an intergovernmental agency representing over one million Illinois residents who live in communities surrounding O'Hare, it could take as long as a decade to build new runways at O'Hare, during which time there would be significant dislocations to current traffic patterns, resulting in even greater delays. According to the Illinois Department of Transportation, a new airport could probably be built and begin operating in three to five years.

2. *A new airport may very well cost less than two new runways at O'Hare.* O'Hare has one of the most complex runway layouts of any major airport in the United States. Based on the City of Chicago's own long-term airport plan, the construction of two new runways could require that two current operational runways be torn up, realigned, and rebuilt, and two others completely demolished. A construction project of this magnitude would be very expensive, possibly costing as much as \$7 to \$10 billion to complete, according to SOC.¹ In fact, on March 21, 2001 the Air Transport Association, a trade group representing the major airlines, estimated that a less complicated plan to construct a single runway at O'Hare would cost \$2 billion. Moreover, when

¹ SOC's figures are among the few publicly available estimates for O'Hare construction projects.

the costs of other proposed O'Hare expansion projects are factored in – for example, the City of Chicago's \$3, 857,470,000 terminal expansion plan, known as World Gateway – the total cost for expanding O'Hare, according to SOC, could approach \$15 billion. In contrast, the Illinois Department of Transportation estimates that a new airport with six parallel runways could be built at a "greenfield" site for \$5 to \$6 billion.

3. *A new airport could provide more aviation capacity for the Chicago area.* O'Hare is completely hemmed in by developed urban and suburban regions. The airport itself cannot expand physically. Any growth would have to be accommodated within the current space of the airport. According to SOC, two new runways at O'Hare would only increase the airport's capacity by some 400,000 flight operations annually. Because of the anticipated continued expansion of air traffic in the region and the length of time construction of two new runways at O'Hare will take, by the time the project is completed, the newly expanded O'Hare may not meet the air traffic needs of Chicago. A new airport, on the other hand, could handle approximately 1.6 million flight operations annually, according to the Illinois Department of Transportation. Quadruple capacity for one-half to one-third the cost makes a new airport a wiser investment than reconfiguring and expanding runways at O'Hare.

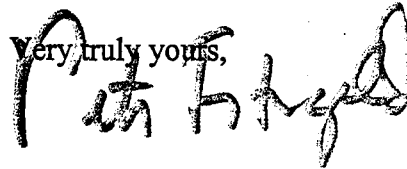
4. *Construction of a new airport will not disrupt operations at O'Hare.* The construction of two new runways at O'Hare would be a significant undertaking, requiring the tearing up and relocation of existing runways and the demolition of others. It is difficult to envision a scenario in which such an extensive demolition and reconstruction project would not disrupt flight operations at O'Hare during the life of the project. These disruptions would only further exacerbate the already over-stretched resources at O'Hare and worsen current delays, including roll-over delays that affect the entire nation, for the pendency of the project. Construction of new runways at a new airport would not affect operations at O'Hare or any other airport during the project.

5. *A new airport offers the best opportunity for injecting airline competition into Chicago and the nation.* O'Hare is a major "fortress hub" airport for both United Airlines and American Airlines. Combined, these two airlines have a choke-hold on the Chicago market, controlling approximately 85 percent of all flight operations and 76 percent of all gates at O'Hare. Despite the size of the Chicago market, the duopoly currently held by United and American makes it all but impossible for one or more significant "hub-and-spoke" competitors to penetrate the Chicago market and compete head-to-head with United and American. Spending billions of dollars building new runways and terminals at O'Hare will not inject badly needed competition into the Chicago area. A new airport, in contrast, would give air travelers more choices and promote much-needed competition by allowing new competitors to enter the Chicago market and compete with United and American.

As a frequent flyer to and from Chicago, I am as frustrated as anyone at the situation at O'Hare. Building new runways there is not, however, a solution to the problem of delays and capacity. Building a new airport makes more sense. A new airport would provide capacity to handle

future demand, would avoid dislocation during construction, would give small- and mid-size communities greater access to Chicago, and would inject badly needed competition into the market. A new airport would achieve all these benefits at less cost. For these reasons, I urge you support a new airport in the Chicago region and oppose the proposal of Senator Grassley and Senator Harkin to reconfigure and expand O'Hare.

Thank you for your consideration. I would be happy to discuss this matter further or answer any questions you may have. If your staff has any questions, they may contact Jim Kawka of my staff at x-42854.

Very truly yours,


PGF:jrk